

FILED
MAR 05 2024
COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF

DESTINY WOODS,
NPN 19585379
DOB 03/26/XXXX

Respondent.

Division Case No. 117069

FINAL ORDER

NOW THEREFORE, the Commissioner takes up for consideration the attached Proposed Default Order of Administrative Law Judge, Carla J. Hamborg, of the Iowa Department of Inspections and Appeals show as filed on February 26, 2024.

IT IS ORDERED that the Commissioner has reviewed the record and adopts Judge Hamborg's default order as my own final decision.

IT IS FURTHER ORDERED that Destiny Woods has 30-days from the date of this Order to pay civil penalties and costs.

IT IS FURTHER ORDERED that these orders may be enforced under Iowa Code chapter 507B and 522B, including but not limited to, Iowa Code § 507B.8 and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amount.

Dated this 5th day of March, 2024.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Copy to:

Zebulon Black
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, IA 50315
zebulon.black@iid.iowa.gov
ATTORNEY FOR THE DIVISION

Destiny Woods
2242 Jungle Dr.
Ruskin, Florida 33570
RESPONDENT

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on March 6, 2024.

By: First Class Mail Personal Service
 Restricted certified mail, return receipt Email
 Certified mail, return receipt _____

Signature: Brooke Hohn
Brooke Hohn

IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION
CENTRAL PANEL BUREAU

In the Matter of)	
)	Case No. 24IID0008
Destiny Woods,)	
NPN 19585379,)	
)	PROPOSED DEFAULT
Respondent.)	ORDER
)	

On January 11, 2024, the Iowa Insurance Division (the Division) filed a Statement of Charges against the Respondent. A separate Notice of Hearing scheduled a pre-hearing conference and an evidentiary hearing before Commissioner Douglas M. Ommen. The matter subsequently was transferred to the Administrative Hearings Division (AHD).

On February 9, 2024, the Division filed a Motion for Default Order, arguing that the Respondent failed to file an answer within the time frame set forth in Division rules. A pre-hearing conference was conducted by telephone on February 22, 2024. Attorney Zebulon Black appeared on behalf of the Division. The Respondent did not appear for the hearing as directed in the notices issued by the Division and the AHD. For the reasons outlined below, the Division's Motion for Default Order is granted.

FINDINGS OF FACT

A. Statement of Charges

The January 11, 2024 Statement of Charges alleges in relevant part:

2. Destiny Woods ("Woods") is an individual with a last-known residence address of 2242 Jungle Dr., Ruskin, FL 33570.

....

6. Woods applied for a nonresident insurance producer license with the Division by submitting a Uniform Application for Individual Producer License (Uniform Application) through the National Insurance Producer Registry. In submitting the Uniform Application, Woods designated the Commissioner as an agent for service of process.

7. The Division issued Woods a license as a nonresident insurance producer on October 8, 2021, and assigned to Woods National Producer Number 19585379.

8. On September 13, 2021, Woods was appointed as a captive insurance agent by USAA Casualty Insurance Company ("USAA") as an Insurance Professional – Sales & Service II.

9. On December 6, 2022, USAA notified the Division of its decision to terminate Woods for cause due to deceptive sales practices. USAA alleged that, while employed with USAA, Woods issued four Valuable Personal Property ("VPP") policies without members' knowledge or consent prior to issuing the policies in her dealings with out-of-state consumers. Although the USAA allegation included four consumers, the Division will be focusing on one consumer in this statement of charges.

10. On September 2, 2022, L.H. contacted USAA for an auto insurance policy quote. L.H. spoke to Woods. L.H. is a resident of Alabama. L.H. decided not to purchase insurance from USAA and ended the quoting process before receiving a final quote for auto insurance.

11. Despite not authorizing a USAA policy of any kind, Woods submitted two applications in L.H.'s name – one for a dwelling insurance policy and one for a VPP policy. The dwelling insurance policy had an annual premium of \$91.76, and the VPP policy had an annual premium of \$25.00. At no point during their phone conversation did Woods and L.H. discuss dwelling or VPP policies and their corresponding premiums. L.H. received a billing statement showing the two policies. L.H. contacted USAA and the policies were canceled with no financial impact to L.H.

12. On September 9, 2022, USAA staff interviewed Woods about the claims that she had processed transactions for VPP policies to consumers without their knowledge or consent. Woods stated to her manager, "I did not or would not issue a rental or VPP policy without speaking to members. I wouldn't do that to increase performance." USAA informed Woods that her sales calls were recorded and that she had issued VPP policies to consumers without their authorization or consent. Woods replied, "I'm not going to deny what you're saying." On November 19, 2022, USAA terminated Woods's employment for cause, stating that Woods's actions were not aligned to USAA's effective and appropriate sales procedures, practices, and compliance standards.

...

13. On December 6, 2022, the Division received notification from USAA of Woods's termination for cause.

14. On December 9, 2022, a Division investigator emailed Woods a Request for Information ("RFI") to two email addresses obtained through background research, destiinyLilBitWoods@gmail.com and Destiny.woods@yahoo.com. Following her termination, Woods no longer had access to her email address of record, Destiny.Woods@usaa.com, so the Division investigator only attempted

contact with the email addresses found through background research. The RFI directed Woods to respond to the investigator by December 20, 2022. The email to Destiny.woods@yahoo.com was rejected, as the address could not be found. The Division received no indication that the email delivery to destinyLilBitWoods@gmail.com failed. To date, Woods has not responded to the email.

15. On December 21, 2022, the investigator sent a second RFI to Woods via FedEx to the residence and mailing address provided by Woods and noted in her licensing record, 2242 Jungle Dr., Ruskin, FL 33570. The RFI directed Woods to respond to the investigator by January 3, 2023. The Division received confirmation from FedEx that the RFI was delivered on December 23, 2022, and signed for by "D. Woods." To date, Woods has not responded to the voicemails.

16. On January 3, 2023, the Division called Woods again and left another voicemail requesting a call back. To date, Woods has not responded to the voicemails.

Statement of Charges, at ¶¶ 2-16.

B. Facts Relevant to Default

Based on the above allegations, on January 11, 2024, the Division filed a three-count Statement of Charges against the Respondent. Count I alleges that Respondent used fraudulent, coercive or dishonest practices or demonstrated incompetence or untrustworthiness, in violation of Iowa Code § 522B.11(1)(h). Count II alleges that Respondent engaged in transactions without authorization, in violation of Iowa Code § 507B.3 and Iowa Administrative Code Rule 191-15.8(2)(b). Last, Count III alleges the Respondent failed to cooperate in an investigation, in violation of Iowa Code § 522B.11(1)(p). Statement of Charges, Counts I – III.

The Statement of Charges and Notice of Hearing were served on Commissioner Ommen on January 11, 2024, as authorized by Woods's submission of the Uniform Application. Additionally, on January 16, 2024, the Statement of Charges and Notice of Hearing were sent via restricted certified mail to the address Woods provided in conjunction with her licensing application. The United States Postal Service subsequently provided proof of delivery, showing the mailing was delivered to Woods on January 22, 2024. The mail was accepted and signed for by "Destiny." Attachs. 1-2 of Motion for Default Order.

Woods did not file an answer or other pleading within 20 days of service. Nor did she request additional time in which to do so. Accordingly, on February 9, 2024, the Division filed a Motion for Default Order. In its motion, the Division requests that the undersigned grant the following relief: 1) immediate revocation of Woods's insurance producer license, along with a prohibition from Woods engaging in the business of insurance in Iowa; 2) imposition of a civil penalty in the amount of \$2,500; and 3) assessment of \$1,525.00 in investigatory and other costs of this prosecution. Woods has

not responded to the motion. Nor did she participate in the February 22, 2024 pre-hearing conference.

APPLICABLE LAW AND DISCUSSION

A. Governing Law

The Iowa legislature created the Division “to regulate and supervise the conducting of the business of insurance in the state.” Iowa Code § 505.1. One aspect of this authority involves the licensing of insurance producers. *See id.* § 505.8; *see also* Iowa Code chapter 522B. Another aspect of the authority involves monitoring and responding to unfair, deceptive, or anti-competitive trade practices in the “business of insurance.” Iowa Code § 507B.3. The Division has promulgated rules consistent with these statutory directives. Chapter 10 of the Division’s rules govern the “qualification, licensure, and appointment of insurance producers.” Iowa Admin. Code r. 191-10.1. Chapter 15 in turn creates the “minimum standards and guidelines” for fair and honest practices in the business of insurance. 191-15.1.

When the Division has reason to believe that an individual has engaged in unfair or deceptive acts or otherwise has violated the statutes and rules governing the business of insurance in the State, the Division may file a statement of charges against the individual. *See* Iowa Code 507B.6(1). This includes taking action against an individual’s producer license. *See id.* § 522B.11(1). The sanction(s) for the misconduct can vary based on the specific practice, and include fines, prosecution costs, adverse action against a licensee, and other corrective action. *See, e.g., id.* §§ 505.8(10)(“[The Division] may, after a hearing conducted pursuant to chapter 17A, assess fines or penalties; assess costs of an examination, investigation, or proceeding; order restitution; or take other corrective action as the commissioner deems necessary and appropriate to accomplish compliance with the laws of the state relating to all insurance business transacted in the state.”); 522B.11(1) (articulating license sanctions available for misconduct).

Once the Division files a statement of charges against an individual, a contested case proceeding is commenced. In a contested case proceeding, all parties are entitled to reasonable notice of the hearing and charges filed. Iowa Code § 17A.12. The Division has adopted rules for delivery of notice to an individual. Rule 191-3.5 provides that service of a notice of hearing and statement of charges shall be made by personal service or by certified mail, return receipt requested, at least 15 days before the hearing date. 191-3.5. For persons regulated by the Division, however, “who have consented in writing to have the commissioner accept service of process on their behalf,” delivery of the notice of hearing is accomplished when the commissioner signs the notice of hearing or statement of charges. 191-3.5(c).

Upon receipt of the notice of hearing, the individual against whom the charges are brought has 20 days to file an answer. 191-3.5(3). If the individual fails to file a timely answer or otherwise participate, the Division may move for a default order. 191-3.22. Failing to file a required pleading, such as an answer, is expressly identified as a form of lack of participation sufficient to justify a default. “Where appropriate and not contrary

to law, any party may move for default against a party who has requested the contested case proceeding and failed to file a required pleading or has failed to appear after proper service.” 191-3.22(2).

Additionally, “[A] default decision may award any relief consistent with the request for relief made in the petition, notice of hearing, or charging document and embraced in its issues.” 191-3.22(9) (emphasis added). Notably, the use of the term “may” in the rule gives the undersigned discretion to issue a default decision and determine the appropriate sanction. *See, e.g., Burton v. Univ. of Iowa Hosps. & Clinics*, 566 N.W.2d 182, 187 (Iowa 1997) (“Generally, the word ‘may,’ when used in a statute, is permissive only and operates to confer discretion unless the contrary is clearly indicated by the context.”).

B. Whether Present Motion for Default Should be Granted

The record supports entry of a default in the present case. The Division sent the relevant documents via certified mail, return receipt requested, to the address that Woods was required to maintain with the Division. It also has submitted a United States Postal Service receipt showing the documents were received by “D. Woods” at that address. With this record, it appears Woods is making a choice not to participate. The undersigned therefore finds nothing to suggest that a hearing on the merits is necessary to avoid an injustice. The public is served by a prompt resolution of the matter.

In addition, the allegations in the Statement of Charges establish that Woods engaged in actions that violate Iowa law. Specifically, the allegations demonstrate that Woods violated Iowa Code § 522B.11(1)(h), which prohibits fraudulent practices; Iowa Code § 507B.3 and Iowa Administrative Code Rule 191-15.8(2)(b), which prohibit transactions without authorization; and Iowa Code § 522B.11(1)(p), which requires cooperation in the Division’s investigation. In reaching this conclusion, the undersigned has accepted the allegations in the Statement of Charges as true. *See* Iowa Admin. Code r. 191-15(2) (a motion is considered unchallenged if no response is filed); 191-3.22(9) (granting authority to award any relief consistent with the charging documents and the issues contained therein).

In its prayer for relief, the Division requests that Woods’s producer licensee be immediately revoked with a prohibition on engaging in the business of insurance in Iowa. It also requests imposition of a \$2,500.00 civil penalty, and payment of prosecution costs of \$1,525.00. The undersigned notes that each of these requests is authorized by statute for the type of conduct alleged, and is “consistent with the request for relief made in the petition, notice of hearing, or charging document and embraced in its issues.” *Id.* § 3.22(9). The Division’s Motion for Default Order is therefore, **GRANTED.**

ORDERS

IT IS ORDERED:

A. Destiny Woods is in default pursuant to Iowa Administrative Code r. 191-3.22. All statements as pled in the January 11, 2024 Statement of Charges are deemed admitted as true for purposes of this decision;

B. Destiny Woods's insurance producer license is immediately revoked pursuant to Iowa Code §§ 507B.7, 522B.11, and 522B.17;

C. Destiny Woods shall cease and desist from engaging in the conduct charged in Counts I, II and II of the Statement of Charges and the business of insurance in this state pursuant to Iowa Code §§ 522B.11 and 522B.17;

D. A civil penalty in the amount of \$2,500.00 is assessed, made payable to the Iowa Insurance Division, to be credited to the Iowa Insurance Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 507B.7.

E. Costs of the investigation and prosecution of this matter are assessed in the amount of \$1,525.00, made payable to the Iowa Insurance Division, to be credited to the Iowa Insurance Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 507B.7.

In view of this outcome, the March 6, 2024 evidentiary hearing is **CANCELLED**. The Division's Request to Call Videoconference Witness and Notice of Intent is **DENIED as MOOT**.

Dated this 26th day of February, 2024.

cc: Destiny Woods, 2242 Jungle Dr., Ruskin FL 33570 (by Mail)
Zebulon Black, Attorney for Appellant (by AEDMS)
Brooke Hohn, Iowa Insurance Division (by AEDMS)

NOTICE

This proposed default decision constitutes a final decision unless one of the following occurs: 1) the presiding officer otherwise orders, 2) a motion to vacate the default decision is filed within 15 days after the date of notification or mailing of the decision in accordance with rule Iowa Admin. Code r. 191-3.12. or 3) an appeal to the commissioner of a proposed default decision is filed in accordance with rule 191-3.27. A motion to vacate must be filed and served on all parties and state all facts relied upon by the moving party which establish that good cause existed for that party's failure to appear or participate in the contested case proceeding. Each fact must be substantiated by at least one sworn affidavit of a person with personal knowledge of each such fact, and attached to the motion. Iowa Admin. Code r. 191-3.22.